

# Senate Study Bill 3228

SENATE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
AGRICULTURE BILL BY  
CO=CHAIRPERSON FRAISE)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act relating to motor fuel, by establishing standards for  
2 renewable fuel including biodiesel and biodiesel blended fuel,  
3 providing for terminology changes, and providing for  
4 penalties.  
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
6 TLSB 5937SK 81  
7 da/je/5

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1 1 DIVISION I  
1 2 ESTABLISHMENT OF RENEWABLE FUEL STANDARDS  
1 3 Section 1. Section 214A.1, Code 2005, is amended by adding  
1 4 the following new subsections:  
1 5 NEW SUBSECTION. 0A. "Biodiesel" means a renewable fuel  
1 6 comprised of mono-alkyl esters of long-chain fatty acids  
1 7 derived from vegetable oils or animal fats, which meets the  
1 8 standards provided in section 214A.2.  
1 9 NEW SUBSECTION. 1A. "Biodiesel blended fuel" means a  
1 10 blend of biodiesel with petroleum-based diesel fuel which  
1 11 meets the standards, including separately the standard for its  
1 12 biodiesel constituent, provided in section 214A.2.  
1 13 NEW SUBSECTION. 1B. "Committee" means the renewable fuels  
1 14 and coproducts advisory committee established pursuant to  
1 15 section 159A.4.  
1 16 NEW SUBSECTION. 1C. "Dealer" means a wholesale dealer or  
1 17 retail dealer.  
1 18 NEW SUBSECTION. 1D. "Diesel fuel" means any liquid  
1 19 product prepared, advertised, offered for sale, or sold for  
1 20 use as, or commonly and commercially used as, motor fuel for  
1 21 use in an internal combustion engine and ignited by pressure  
1 22 without the presence of an electric spark, and which meets the  
1 23 specifications provided in section 214A.2.  
1 24 NEW SUBSECTION. 1E. "Ethanol" means ethyl alcohol that is  
1 25 denatured as required in 23 C.F.R., pts. 20 and 21, for use as  
1 26 an oxygenate in gasoline.  
1 27 NEW SUBSECTION. 1F. "Ethanol blended gasoline" means a  
1 28 formulation of gasoline which is a liquid petroleum product  
1 29 blended with ethanol, if the formulation meets the standards  
1 30 provided in section 214A.2.  
1 31 NEW SUBSECTION. 1G. "Gasoline" means any liquid product  
1 32 prepared, advertised, offered for sale or sold for use as, or  
1 33 commonly and commercially used as, motor fuel for use in a  
1 34 spark-ignition, internal combustion engine, and which meets  
1 35 the specifications provided in section 214A.2.  
2 1 NEW SUBSECTION. 2A. "Motor fuel pump" means the same as  
2 2 defined in section 214.1.  
2 3 NEW SUBSECTION. 5A. "Renewable fuel" means a combustible  
2 4 liquid derived from grain starch, oilseed, animal fat, or  
2 5 other biomass; or produced from a biogas source, including any  
2 6 nonfossilized decaying organic matter which is capable of  
2 7 powering machinery, including but not limited to an engine or  
2 8 power plant. Renewable fuel includes but is not limited to  
2 9 ethanol blended gasoline, biodiesel, or biodiesel blended fuel  
2 10 meeting the standards provided in section 214A.2.  
2 11 Sec. 2. Section 214A.1, subsection 2, Code 2005, is  
2 12 amended to read as follows:  
2 13 2. "Motor ~~vehicle~~ fuel" means a substance or combination  
2 14 of substances which is intended to be or is capable of being

2 15 used for the purpose of propelling or running by combustion  
2 16 ~~any of operating an internal combustion engine, including but~~  
2 17 ~~not limited to a motor vehicle, and is kept for sale or sold~~  
2 18 ~~for that purpose. The products commonly known as kerosene and~~  
2 19 ~~distillate or petroleum products of lower gravity (Baume~~  
2 20 ~~scale), when not used to propel a motor vehicle or for~~  
2 21 ~~compounding or combining with a motor vehicle fuel, are exempt~~  
2 22 ~~from this chapter except as provided in section 214A.2A.~~

2 23 Sec. 3. Section 214A.1, subsections 6 and 8, Code 2005,  
2 24 are amended by striking the subsections and inserting in lieu  
2 25 thereof the following:

2 26 6. "Retail dealer" means a person engaged in the business  
2 27 of storing and dispensing motor fuel from a motor fuel pump  
2 28 for sale on a retail basis.

2 29 8. "Wholesale dealer" means a person, other than a retail  
2 30 dealer, who operates a place of business where motor fuel is  
2 31 stored and dispensed for sale in this state, including a  
2 32 permanent or mobile location.

2 33 Sec. 4. Section 214A.2, subsection 1, Code 2005, is  
2 34 amended to read as follows:

2 35 1. The ~~secretary department~~ shall adopt rules pursuant to  
3 1 chapter 17A for carrying out this chapter. The rules may  
3 2 include, but are not limited to, specifications relating to  
3 3 motor fuel ~~or oxygenate octane enhancers, including but not~~  
3 4 ~~limited to renewable fuel such as ethanol blended gasoline,~~  
3 5 ~~biodiesel, biodiesel blended fuel, and motor fuel components~~  
3 6 ~~such as an oxygenate.~~ In the interest of uniformity, the  
3 7 ~~secretary department~~ shall adopt by reference or ~~otherwise~~  
3 8 ~~other~~ specifications relating to tests and standards for motor  
3 9 ~~fuel or oxygenate octane enhancers including renewable fuel~~  
3 10 ~~and motor fuel components, established by the United States~~  
3 11 ~~environmental protection agency or A.S.T.M. (American society~~  
3 12 ~~for testing and materials) international, unless the secretary~~  
3 13 ~~determines those specifications are inconsistent with this~~  
3 14 ~~chapter or are not appropriate to the conditions which exist~~  
3 15 ~~in this state. In adopting standards for a renewable fuel,~~  
3 16 ~~the department shall consult with the committee.~~

3 17 Sec. 5. Section 214A.2, subsection 3, Code 2005, is  
3 18 amended by striking the subsection and inserting in lieu  
3 19 thereof the following:

3 20 3. a. For motor fuel advertised for sale or sold as  
3 21 biodiesel or biodiesel blended fuel by a dealer, the motor  
3 22 fuel must meet registration requirements for that type of  
3 23 motor fuel and its additives established by the United States  
3 24 environmental protection agency including as provided under 42  
3 25 U.S.C. } 7545.

3 26 b. The motor fuel must comply with departmental standards  
3 27 which to every extent feasible shall comply with  
3 28 specifications adopted by A.S.T.M. international for biodiesel  
3 29 or biodiesel blended fuel.

3 30 (1) At least one percent of biodiesel blended fuel by  
3 31 volume must be biodiesel.

3 32 (2) The biodiesel may be blended with diesel fuel whose  
3 33 sulfur, aromatic, lubricity and octane levels are outside  
3 34 A.S.T.M. international specification D=975 Grades 1=D, 2=D,  
3 35 and low sulfur 1=D and 2=D, provided that the finished  
4 1 biodiesel blended fuel meets its applicable A.S.T.M.  
4 2 international specifications for these properties.

4 3 Sec. 6. Section 214A.2A, Code 2005, is amended to read as  
4 4 follows:

4 5 214A.2A KEROSENE LABELING.

4 6 1. Fuel which is sold or is kept, offered, or exposed for  
4 7 sale as kerosene shall be labeled as kerosene. The label  
4 8 shall include the word "kerosene" and a designation as either  
4 9 "K1" or "K2", and shall indicate that the kerosene is in  
4 10 compliance with the standard specification adopted by the  
4 11 A.S.T.M. ~~in~~ international specification D=3699 (1982).

4 12 2. ~~A product commonly known as kerosene and distillate or~~  
4 13 ~~a petroleum product of lower gravity (Baume scale), when not~~  
4 14 ~~used to propel a motor vehicle or for compounding or combining~~  
4 15 ~~with a motor fuel, are exempt from this chapter except as~~  
4 16 ~~provided in this section.~~

4 17 Sec. 7. Section 214A.3, Code 2005, is amended by striking  
4 18 the section, and inserting in lieu thereof the following:

4 19 214A.3 ADVERTISING.

4 20 1. For all motor fuel, a person shall not knowingly do any  
4 21 of the following:

4 22 a. Advertise the sale of any motor fuel which does not  
4 23 meet the standards provided in section 214A.2.

4 24 b. Falsely advertise the quality or kind of any motor fuel  
4 25 or a component of motor fuel.

4 26 c. Add a coloring matter to the motor fuel which misleads  
4 27 a person who is purchasing the motor fuel about the quality of  
4 28 the motor fuel.

4 29 2. A person shall not knowingly falsely advertise that a  
4 30 motor fuel is a renewable fuel or is not a renewable fuel.  
4 31 Biodiesel blended fuel shall be designated B-xx where "xx" is  
4 32 the volume percent of biodiesel in the biodiesel blended fuel.  
4 33 A person shall not knowingly falsely advertise biodiesel  
4 34 blended fuel by using an inaccurate designation in violation  
4 35 of this subsection.

5 1 Sec. 8. Section 214A.11, Code 2005, is amended to read as  
5 2 follows:

5 3 214A.11 ~~VIOLATIONS PENALTY.~~

5 4 ~~Any A person violating the provisions who violates a~~  
5 5 ~~provision of this chapter shall be is guilty of a simple~~  
5 6 ~~serious misdemeanor.~~

5 7 DIVISION II

5 8 CHANGE OF TERMS

5 9 Sec. 9. CHANGE OF TERMS.

5 10 1. Sections 8A.362, 101.21, 159A.4, 214.1, 214.11, 214A.1,  
5 11 214A.2, 214A.4, 214A.5, 214A.7, 214A.8, 214A.9, 214A.10,  
5 12 214A.16, 214A.17, 214A.18, 306C.11, 312.1, 321.56, 423.14,  
5 13 452A.63, 452A.66, and 452A.78, Code 2005, and section 321.40,  
5 14 Code Supplement 2005, are amended by striking from the  
5 15 provisions the words "motor vehicle fuel" and inserting the  
5 16 following: "motor fuel".

5 17 2. Sections 214.1, 214.3, 214.9, 214.11, 214A.16, and  
5 18 422.11C, Code 2005, are amended by striking the words "motor  
5 19 vehicle fuel pump" or "motor vehicle fuel pumps" and inserting  
5 20 the following: "motor fuel pump" or "motor fuel pumps".

5 21 EXPLANATION

5 22 DIVISION I == ESTABLISHMENT OF RENEWABLE FUEL STANDARDS.

5 23 This division amends Code chapter 214A, which provides  
5 24 authority to the department of agriculture and land  
5 25 stewardship to regulate the sale of motor fuel.

5 26 The division amends Code section 214A.1 by providing a  
5 27 number of definitions, including "biodiesel", "biodiesel  
5 28 blended fuel", "ethanol", and "ethanol blended gasoline".

5 29 The division amends Code section 214A.2, which provides for  
5 30 different types of motor fuel and establishes standards or  
5 31 specifications for motor fuel.

5 32 The division establishes standards for biodiesel and  
5 33 biodiesel blended fuel. It requires that biodiesel blended  
5 34 fuel contain at least 1 percent biodiesel by volume. It  
5 35 prohibits any person from falsely advertising motor fuel,  
6 1 including renewable fuel, and specifically biodiesel blended  
6 2 gasoline. Code section 214A.11 provides that any person  
6 3 violating the provisions of Code chapter 214A is guilty of a  
6 4 simple misdemeanor. A simple misdemeanor is punishable by  
6 5 confinement for no more than 30 days or a fine of at least \$50  
6 6 but not more than \$500, or by both. The bill increases the  
6 7 offense to a serious misdemeanor. A serious misdemeanor is  
6 8 punishable by confinement for no more than one year and a fine  
6 9 of at least \$250 but not more than \$1,500.

6 10 DIVISION II == CHANGE IN TERMS. This division amends a  
6 11 number of provisions by changing the term "motor vehicle fuel"  
6 12 to "motor fuel", and "motor vehicle fuel pump" to "motor fuel  
6 13 pump" for purposes of consistency in chapters throughout the  
6 14 Code, but in particular in Code chapters 214A and 452A.

6 15 LSB 5937SK 81

6 16 da:rj/je/5